
Minutes

Board of Natural Resources Meeting

October 4, 2005
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

Terry Bergeson, Superintendent of Public Instruction
Ted Anderson, Commissioner, Skagit County
Daniel J. Bernardo, Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences
Doug Sutherland, Commissioner of Public Lands
Bob Nichols, for Governor Christine Gregoire
Bruce Bare, Dean, University of Washington, College of Forest Resources

CALL TO ORDER

Chair Sutherland called the meeting to order at 9:05 a.m. on, October 4, 2005, in Room 172 of the Natural Resources Building.

APPROVAL OF MINUTES

MOTION: Terry Bergeson moved to approve the June 29 "Special Meeting" & September 6, 2005 regular meeting, Board of Natural Resources Meeting Minutes.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

Chair Sutherland announced that the Board would enter into Executive Session until 10:00 AM to discuss the ruling in the Sustainable Harvest Calculation Litigation.

Chair Sutherland extended the Executive Session for an additional 30 minutes.

The regular public meeting reconvened at 10:40am.

PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

No public comment for agenda action items.

Chair Sutherland brought the Board's attention to a previous land transaction called Shark Reef Road (40 acres of common school trust land), which was just sold at public auction for \$482,000. Ms. VanBuren said the winning bidder was ecstatic because he bought this property for his family so they could all stay on Lopez Island.

LAND TRANSACTIONS (ACTION ITEM)

Lake Goodwin Parcel A #02-077402 (Handout1)

Ms. VanBuren talked about the King/Snohomish project and how it's a team effort between the Product Sales & Leasing Division, Executive Management, Communications, and South Puget/Northwest Regions. She began with the Lake Goodwin Public Auction explaining that the parcels are split into four sections; a, b, c, and d. The property is located about three miles north of the Tulalip Reservation, five miles south of Stanwood, and six miles west of I-5; the transaction consists of 540 acres of Common School Trust. The zoning is R5 (1 home per 5 acres), and has been platted into 52 five-acre lots, 20 ten-acre lots, and 80 acres remain unplatted. The values for each parcel are as follows: Parcel A =\$8,440 per acre; Parcel B =\$9,000 per acre; Parcel C =\$8,100 per acre (timber \$866,000); Parcel D =\$8,000 per acre.

MOTION: Terry Bergeson moved to approve Resolution #1174.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

Lake Goodwin Parcel B #02-077534

MOTION: Ms. Bergeson moved to approve Resolution #1175.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

Lake Goodwin Parcel C #02-077535

MOTION: Ms. Bergeson moved to approve Resolution #1176.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

Lake Goodwin Parcel D #02-077536

MOTION: Ms. Bergeson moved to approve Resolution #1177.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

Livingston Mountain #1 T3-076642 (Handout2)

Ms. VanBuren explained that she had two trespass resolution proposals that involved unintentional residential trespasses. She said the first trespass is located in Clark County, one mile north of Green Mountain, just south of Camp Bonneville Military Reservation. In 1938 the state received the Forest Board Transfer trust land from Clark County. In 1989 a private developer subdivided and sold the property; at that time a mobile home was placed on the parcel. In 1997 someone purchased the property and in 1999 DNR surveyed the line and found that the individual's home was on state trust land. The resolution is to sell 0.19 acre for an appraised value of \$4,350; all costs to be paid for by the individual.

MOTION: Terry Bergeson moved to approve Resolution #1178.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

Mill Creek T3-072232 (Handout2)

Ms. VanBuren explained that the second trespass is on Scientific School Trust land in Cowlitz County just 13 miles north of Longview and 1.5 miles north of the Columbia River. In 1976 someone purchased the vacant land and built a home and in 1982 DNR acquired adjacent land in exchange with Weyerhaeuser. In 2000 DNR surveyed the line and found that the entire dwelling and all structures were located on Scientific Trust Lands. In 2003 the individuals filed a lawsuit to quiet title in state land (adverse possession).

Ms. Bergeson asked what adverse possession meant.

Ms. VanBuren responded that it's a statutory process that allows someone who is using someone else's land open and notoriously to gain possession of it. If someone does that from seven to ten years depending on the circumstances, they can claim that land. State and County land is exempt from this statute.

Weyerhaeuser was contacted because the property was acquired through a warranty deed, which also has certain statutory requirements that go with it, and one of them applies to situations like this.

In 2005 a settlement was negotiated. The resolution is to sell 0.52 acre at an appraised value of \$8,450; all costs paid by Weyerhaeuser and the individual.

MOTION: Daniel Bernardo moved to approve Resolution #1179.

SECOND: Ted Anderson seconded.

ACTION: Motion passed unanimously.

TIMBER SALES (Action Item)

Proposed Timber Sales for November 2005 (Handout 3)

Bruce Mackey came forward to brief the Board on the Sustainable Harvest Calculation (SHC) litigation and the impact it's going to have on the timber sale program. He explained that the timber sales being presented today are under the "status quo" conditions before the Board approved resolution 1134 in September of 2004. Mr. Mackey said that from September 28, 2005 on, all timber sales would fall under the guidelines of the HCP requirements prior to the adoption of resolution 1134. He added that the resolution changed the leave tree policy from 7% back to what the HCP said at a minimum of eight trees per acre; no sales will be brought forward that don't meet the 7%.

Jon Tweedale began by giving a brief update on the market saying that there continues to be a strong base.

September 2005 sales results:

9 sales offered & 8 sold; 30.5mmbf offered & 21.2mmbf; \$8.9 million minimum bid & \$7.7 million sold; \$296/mbf offered & \$365/mbf sold; 25% above minimum bid; average number of bidders =3.1.

Mr. Anderson asked why one of the sales was not successful.

Mr. Tweedale responded that the cruise volume might have been a little high. He said the sale would be analyzed and brought back to the Board in the future.

Chair Sutherland said that one sale was not included in the results due to the SHC lawsuit.

Mr. Tweedale said that was correct and there would have been 10 sales had it not been removed.

Proposed November 2005 Board Sales:

10 sales at 26.9 mmbf; \$7.9 million minimum bid; average \$295/mbf.

Mr. Tweedale recommended all 10 sales at 26,931 mbf with a minimum bid of \$7,947,000 be approved for auction for the month of November 2005.

Chair Sutherland asked if these sales already comply with the Judges orders under the SHC litigation.

Mr. Tweedale said yes.

MOTION: Ted Anderson moved to approve the November 2005 timber sales.

SECOND: Ms. Bergeson seconded.

DISCUSSION: Ms. Bergeson commended Mr. Tweedale, DNR staff, and the regions for all their hard work and effort on bringing the post SHC adoption sales forward, and continuing to bring sales forward under current conditions.

ACTION: Motion passed unanimously.

CHAIR REPORTS

Aquatics Rulemaking Briefing

Fran McNair, Aquatic Steward, came forward to brief the Board on three proposed rules. She gave a summary of the big picture explaining that the three rules deal with upland parcel selection for water dependent leases, rent review, and appeals. She began a PowerPoint to give more detailed information.

I. Amending the Timeline Allowed for the rent review process, WAC 332-30-128.

Purpose

- To increase the amount of time available to applicants, lessees, and decision makers for filing, coordination, and decision-making.
 - o Lessees/applicants will have more time to prepare and file, if they need it.
 - o Decision makers will have more time to review and decide, if they need it.

Process so far

- Contacted all lessees of state owned aquatic land
- Drafted proposed changes in Summer 2005
- Held local public hearing in September 2005
- Changes posted on website

Proposed Changes

- Submitting a Petition to the Rental Dispute Appeals Officer (RDAO)
 - o Currently, 15 days are allocated to the lessee/applicant to petition the RDAO; this would increase to 30 days.

- Reviewing the Rental Dispute Officer's Decision
 - o Currently, 30 days are allocated to the RDOA for review; this would increase to 60 days, and allow for an **optional** extension of another 60 days.
- Submitting a Petition to the Board of Natural Resources
 - o Currently, 15 days are allocated to the lessee/applicant to petition the BNR; this would increase to 30 days
- Preparing Written Statements for the Board
 - o Currently, the lessee/applicant and DNR have 15 days to prepare written statements for the BNR; this would increase to 30 days.
- Board of Natural Resources Issuing a Decision
 - o Currently, the BNR has 60 days to issue a decision; this would increase to 90 days.

Next Steps

- Prepare summary of public comments
- Finalize proposed rule language
- Present to the BNR for consideration
 - o November 1 meeting

II. Selecting an Upland Parcel for Water-Dependent Rents, WAC 332-30-123

Purpose

- To clarify confusing rule language and address situations not specified in the current rule
 - o When to select an alternate upland parcel
 - o Which alternate upland parcel to select

Process so far

- Met with lessees and other stakeholders to discuss rent issues in January
- Drafted proposed changes in Spring/Summer
- Held public hearings in September
 - o Seattle, Olympia, Mount Vernon, Friday Harbor

Proposed Changes

- Remove the term "remote moorage"
- Define "upland characteristics"
- Allow for selecting a parcel that is behind filled aquatic lands
 - o When the filled lands are "inconsistently assessed", and the upland parcel behind them is used with the lease
- Make the list of "inconsistent" situations, non-exclusive
- Clarify when an upland parcel is not properly assessed
- Specify that DNR will not select upland parcels that are contaminated
- Give examples of "use classes"

Chair Sutherland commented that in the proposed rule change it says that the Board can appeal the rent; he wanted to know if that's ever happened.

Christa Thompson said it's rare and she felt it averages once every four years.

Chair Sutherland asked Ms. McNair to explain the upland parcel.

Ms. McNair said there has been a study done on how to set water-dependent rent. She said that water-dependent leases are discounted 70% because under statute DNR supports water-dependent uses, commerce, and navigation. She said rents are established by looking at an upland parcel with specific criteria and is used in conjunction with water-dependent use. She gave an example saying that if you had a marina and the upland parcel was a business park you couldn't use that to establish rent value. The assessed value has to be comparable and consistent with the value you would accrue if you had a value for the water parcel. She said there are very few aquatic parcels that have established value and that's why the upland value is in the equation. She said that throughout the rent study these issues were identified and that's what this rule change attempts to address.

Mr. Anderson said these changes still don't remove the latitude of DNR's responsibility in choosing the best-suited parcel. He said it's important to continue leasing the properties in a fair and equitable manner.

III. Amending Deduction Determination WAC 332-100-040

Purpose

- Recover costs associated with harbor area leases

Reasoning

- Revenue has been flat since 2000
- Increasing complexity of leases; especially in the harbor areas
- If the program cannot fund the work needed to bring in the revenue, both the Aquatic Land Enhancement Account (ALEA) and Resource Management Cost Account (RMCA) will decline

Process so far

- Contacted agencies, local governments, and non-profits
- Contacted towns in harbor areas
- Held local public hearing in September
- Drafted economic analysis

Proposed Changes

- Increase the maximum allowable percentage deducted from harbor area leases to the full 25%

Next Steps

- Prepare summary of public comments
- Draft final proposed rule changes
- Present to the BNR for consideration at November 1 meeting.

LAND TRANSACTIONS ANNUAL REPORT

Kit Metlen came forward to brief the Board on the trust transactions for the 2003-2005 biennium.

Asset Management Council Guidance on Replacement Purchases:

- DNR targets returns of 5% across all asset classes, with some sub-classes producing higher returns
- 2003 Biennium allocation strategy:
 - o 2/3 to purchase new agricultural and commercial assets: allocation=\$24.2 million ~ spent=\$21.7 million
 - o 1/3 for asset protection and enhancement of the existing land base: allocation=\$12.1 million ~ spent= \$2.2 million

There were a total of 80 transactions closed for the 2003-2005 biennium under the following categories:

- 2 land exchanges
- 6 intergrant exchanges
- 21 purchases
- 4 realty trespasses
- 11 direct transfers
- 16 land bank sales
- 20 trust land transfers

Acres Disposed by Use Class

- Ecologically significant:
 - o Natural Resource Conservation Areas/Natural Area Preserves properties=934 acres
 - o Habitat properties to Washington Department of Fish and Wildlife=1642 acres
 - o Recreation/open space=3043 acres
- Residential/Commercial
 - o Urban properties=617 acres
 - o Rural residential=719 acres
 - o Residential trespasses=1 acre

Acres Purchased by Asset Class

- Agriculture
 - o Irrigated=2442 acres
 - o Irrigable undeveloped= 440 acres
 - o Dryland= 4599 acres
- Forestry
 - o Properties added to
 - Existing forest blocks= 1278 acres
 - 1 in-holding <\$100,000= 4 acres

Acres Exchanged by Asset Class

- Agriculture
 - o Disposed 640 acres of grazing land
- Forestry
 - o Disposed 480 acres of eastside forest
 - o Acquired 10, 767 acres of eastside forest
 - o Acquired 233 acres of Westside forest
- Rural Residential
 - o Disposed 1824 acres

Mr. Bernardo asked why DNR didn't purchase any residential/commercial properties.

Mr. Metlen responded that DNR was unable to meet the criteria of sellers to operate quickly.

Chair Sutherland added that properties have become available but DNR's ability to respond in a timely manner is limited compared to other interested parties.

Ms. Bergeson asked if there was anything that could be changed legislatively to expedite the process.

Mr. Metlen said his group was working on that.

Mr. Metlen explained that the Department has been averaging 40% on a number of transactions. He attributed that success to the sales program taking off and the reintroduction of exchanges. He talked about acreage and said that the Department is operating substantially above the norm.

Ms. Bergeson asked for clarification on acreage and value.

Mr. Metlen responded that DNR disposed of less than 10,000 acres in the 2003-2005 biennium and acquired that difference up to about 25,000.

Ms. Bergeson asked if it was better to acquire rather than dispose of acres.

Mr. Metlen said it depended on values.

Mr. Metlen said that DNR disposed of about \$57 million dollars worth of property by market value. The gross rate of return for disposals was 1.7%, for acquisitions 5.4%, and the comparison is 3.7%.

Ms. Bergeson asked how much of the agricultural land acquisitions were wine country.

Mr. Metlen said that 2,400 acres of irrigated land was largely toward vineyard.

Chair Sutherland announced at 12:00pm that the Board would break for lunch and return at 12:45pm.

He said that the adoption of the Policy for Sustainable Harvests would be deferred until there's better clarification.

Ms. Bergeson commented that she was proud of the work the Board had done on the Sustainable Harvest Calculation and the information that DNR staff has provided has been very beneficial. She said she was proud of the balance that this Board built into the SHC decision and was confident that this situation would work out in a positive way.

Ms. Bergeson departed the meeting at 12:00pm.

Meeting reconvened at 1:00pm.

CHAIR REPORTS CONTINUED

Policy for Sustainable Forests (PSF)

Clay Sprague came forward to discuss the Policy for Sustainable Forests. He said he'd be working from two documents for today's presentation, the first titled "Policy for Sustainable Forests Communications and Project Plan", the second is the "Draft Policy for Sustainable Forests October 2005". Mr. Sprague said he would provide an overview of the entire process to date to highlight the work that has been done in support of the Board's discussions. After that there would be a review of the draft policy for Sustainable Forests document, including the Board's preferred policy choices. He said he had planned to review a draft resolution today anticipating possible adoption in November, but now plans to save that discussion until the Department has a new adoption date.

Mr. Sprague referred to page one of the of the PSF Communications and Project Plan
Page 1 – Project Planning January 2004 to March 2004

- ❖ Developed project approach
- ❖ Developed policy purpose, objectives, and categories
- ❖ Reviewed internally, including the Board, policy purpose, objectives, and categories

Page 2 & 3 – SEPA Scoping March 2004 to June 2004

- ❖ Met with stakeholders to get input on purpose, objective, categories, and subjects
- ❖ Sent out public scoping notice
- ❖ Held seven public workshops to gather input on purpose objectives, categories, and subjects

Page 3 & 4 – Policy Alternatives Development May 2004 to November 2004

- ❖ Developed alternative approaches to each policy subject
- ❖ Reviewed alternative approaches internally, to get input
- ❖ Met with stakeholder groups to review alternative approaches and get input
- ❖ Developed policy statements for each alternative and reviewed with the Board

Page 5 & 6 – DEIS and Board Policy Discussion September 2004 to May 2005

- ❖ Analyzed environmental impacts of each policy alternative (26 subjects, 68 alternatives)
- ❖ Issued DEIS
- ❖ Held six public hearings statewide to solicit comment on DEIS
- ❖ Began discussions with Board about preferred policy choices in January 2005

Page 6 & 7 – PSF Document June 2005 - To Be Decided

- ❖ Produced a draft PSF document
- ❖ Posted draft on DNR's external Web site and notified stakeholders of its availability
- ❖ Review with Board

Mr. Anderson stated that the 1x1 meetings Mr. Sprague and staff set up with the Board members was extremely helpful in understanding the material.

Mr. Sprague moved onto reviewing the PSF document including all the policy subjects. He said he would point out the key points of each policy.

Subjects that the Board commented on are discussed below.

Chapter 2 – Background and Context Pages 1 through 13

Mr. Bare said he had a conversation with Mr. Sprague regarding page 4 under the legal framework. He felt that there was a lot of attention devoted to “the best interest of the state”, and yet a lot of what follows is talking about the best interest of the trusts. He thought it was a little inconsistent. Mr. Bare commented that article 16 talks about the lands being given in trust for all of the people of Washington, which causes confusion between the interpretations of how the public lands are used.

Mr. Sprague said that was a good observation and it would be reworded.

Chair Sutherland commented that the policy contains language related to the SHC and that it would need to be perfected depending on the course of action.

Chapter 3 – Policies Pages 1 through 25

Old Growth Stands in Western Washington (page 9)

- ❖ Defines old growth stands as the most structurally complex stands (fully functional) that originated naturally prior to the year 1850 (pre-European settlement)
- ❖ Defers harvest of all old growth stands to meet HCP requirements, older forest targets, and social/cultural values
- ❖ Actively seek to transfer old growth stands out of trust status with full market value compensation

Mr. Bare commented on page 9 where the last paragraph talks about the conservation strategies of the Olympic Experimental State Forest (OESF), it continues and says, “the goal is to use management, research, and monitoring to build new knowledge about integrating commodity production and conservation. Consequently, operations including harvest in some old growth stands will occur in the OESF to meet this goal”. Mr. Bare said he’s fine with that paragraph but he just wanted to draw everyone’s attention to it. Mr. Bare said that in the policy itself it’s a little confusing the way it’s worded and he wanted to recommend a minor change, such that it reads essentially as is, “inside the OESF the Department may conduct operations in old growth stands consistent with the requirements of DNR’s Habitat Conservation Plan (HCP). “ Dr. Bare said he would then put “or to meet the research objective of the OESF”. Mr. Bare explained his recommendations saying that it seems redundant to refer to the HCP and the other is to say, “old growth may be harvested when it’s consistent with the requirements of the HCP or to meet the research objectives”, which is one of the goals of the OESF.

Mr. Partridge asked what Mr. Bare would see as an effect of that change.

Mr. Bare responded that it makes it clear to him. He wasn’t sure what the comma meant in the original paragraph. He didn’t know if it was an “and” or a condition. He said his recommendation would make it a little more flexible.

Mr. Partridge said that when they talked about this topic at the September 6, BNR meeting, DNR staff pointed out that there were research objectives in the OESF that may entail the harvest of old growth as part of a research program consistent with the HCP. He said the Board indicated an interest in creating an exception for that purpose to the overall policy that was going to be deferring old growth permanently. He said that the paragraph in the discussion section indicates that there are purposes in the OESF that go beyond research. He said the OESF has a fairly complex conservation strategy and it also has targets for best quality and next best quality habitat; best quality being equivalent to old growth for the different watershed units in the OESF. He said although it wasn’t specifically discussed at the Board meeting, DNR staff’s understanding of the Board’s decision, was that in the OESF as well as in the balance of western Washington, the old growth would continue to be deferred even after targets were met; with the exceptions that are stated in the policy.

Mr. Bare remarked that that’s the silvicultural policy.

Mr. Anderson commented that the sentence does not read smooth.

Mr. Partridge said he wanted very clear direction from the Board to the Department and staff.

Mr. Bare said there was a discussion on old growth at the last BNR meeting and he felt that the Board was clear that the OESF was an exception to the deferral of old growth policy. He wanted to make sure that everyone understood what the exception meant. He said he’s trying to convey that it should read, “old growth may be harvested within the boundaries of the OESF as long as we meet the conservation

objectives of the HCP". He said that they could argue whether the next sentence should say "and" or "or", "to meet the research objectives".

Mr. Partridge said that if the policy says "or", to meet the research objectives than it's clearly implying that there are other circumstances consistent with requirements of the HCP, other than research, that would also entail the harvest of old growth.

Chair Sutherland said his interpretation would be, "research objectives may not necessarily be identical to what is defined in the HCP", this would give the opportunity to look at other things, other than what is specifically identified in the HCP. So by inserting the word "or", it creates more flexibility.

Mr. Partridge commented that it creates more flexibility within the OESF beyond simply the research objectives.

Chair Sutherland interjected and said it gives you the opportunity of research objectives.

Mr. Nichols commented that his understanding is that in the OESF there would be experiments including some involvement of old growth where research is needed, that's the purpose of the OESF, and that might be over and above the requirements in the HCP.

Mr. Partridge said the above discussion reflects the Board's preferred approach.

Mr. Bare asked what the reference to old growth on page 11, with respect to eastern Washington, meant because there's no plan.

Mr. Sprague responded that he would change that.

Mr. Anderson talked about the watershed systems discussion and commented that the use of the word "generally" is unclear.

Chair Sutherland added that there should be a clarification between a harvest unit and a timber sale.

Mr. Sprague moved onto riparian conservation.

Chair Sutherland stated that DNR had received, from the federal agencies, concurrence with the Department's obligation on riparian area activities under the HCP. He wondered if that should be acknowledged in the policy.

Mr. Partridge said it would be added to the discussion section in the policy.

Chair Sutherland asked if they should include the nursery and seedling operations under the genetic resources section.

Mr. Partridge said they would expand the section to include Chair Sutherland's suggestion.

Mr. Sprague talked about local economic vitality.

Chair Sutherland commented that one of the tenants of the FSC certification has a great deal to do with this subject.

Mr. Partridge said that FSC certification has criteria that include considering, and where necessary, moderating impacts to local economies through employment and that sort of activity. He said if DNR was pursuing FSC certification then this would be of interest to the auditors in that process.

Mr. Sprague moved onto general silvicultural strategies.

Mr. Partridge said that the Board originally set this policy in the adoption of the SHC. It's now been reworked for the PSF.

Mr. Bare referred to a chart that shows a target for the old forest (10-15%) and structurally complex (25-35%). He said he didn't see this chart reflected in the policy.

Mr. Partridge said that was true. In the HCP those percentages are referred to not as targets but as expectations of what would occur as a result of implementing the HCP over a 70-year period. The Board has paid more attention in its policy making to the 10-15% expectation and has changed that into a target that the Board is directing DNR to achieve. He said as DNR staff understands it the Board has not made the other percentage a direction to the Department so it would remain as an expectation of what implementation of the HCP would result in naturally.

Mr. Bare referred to the second to last paragraph on page 21 under general silvicultural strategy. He proposed dropping the words "especially those stands in the botanically diverse stage of stand development", and replacing them with "DNR intends to actively manage suitable structurally complex forests to achieve older forest structures etc." He said his concern is that the last part of the sentence talks about managing the structurally complex to achieve older forest structures and it highlights the botanically diverse stand structure. He felt that it could be interpreted that DNR can't manage the niche diverse component, which DNR/BNR may want to do. He felt that his suggestion of wording would open up all components of the structurally complex forest to be actively managed where suitable.

Mr. Partridge said it's his understanding that the stands in the fully functional or niche diversification stage are the ones that are already contributing to the 10-15% target and the stands in the botanically diverse stage are the ones next in line. The use of the word "especially" was intended explicitly to not limit it to those stands in the botanically diverse stage. He said there might be stands that are in one of the exclusion stages that have some remnant structures sufficient that would make it a better candidate, depending on its position in the landscape, to contribute. He didn't think Mr. Bare's change would change DNR's intention.

Mr. Bare felt that the language, as it's written now, implies that DNR wouldn't manage the niche diverse stands because they're already older forest and he argued that the stands could be a higher quality older forest, that's what he wanted to be clear on in the discussion.

Mr. Bare brought everyone's attention to the last bullet on page 22. It currently reads, "Once older forest targets are met, non old growth structurally complex forest stands that are not needed to meet the targets may be considered for harvest activities.", he felt that it essentially meant that old growth would not be considered once the target is met which brought it back to the OESF concern he raised earlier. He said that the OESF is different because it already says in the old growth policy that DNR may harvest old growth in the OESF. He said he's trying to separate this policy into two pieces. The wording he recommended read, "through landscape assessments the Department will identify suitable structurally complex forest stands to actively manage so long as older forest targets are continually approached", then he added two sub bullets "in HCP planning units excluding the OESF once older forest targets are met non-old-growth suitable structurally complex forest stands that are not needed to meet the targets

may be considered for harvest activity” “In the OESF once older forest targets are met all components of suitable structurally complex forest stands that are not needed to meet the targets may be considered for harvest operations”, which basically says old growth may be cut in the OESF once the targets are met.

Mr. Nichols said he didn’t know enough about the OESF to suggest how much harvesting of old growth would occur. He felt that there is an implication that once the targets are met more old growth could be harvested.

Mr. Bare said there are 11 sub units in the OESF and there are targets of 20% for the best habitat in each of those, once the 20% is passed in the sub units and the older forest targets are met then this policy kicks in.

Mr. Partridge responded that he was hearing Mr. Bare’s suggestion that in addition to research purposes, for the broader conservation objectives of the OESF, which envision a mixture of economic and ecological outcomes across the landscape subject to these targets, excess old growth would be available for harvest.

Mr. Nichols said he felt that this was starting to bump up against a statement in the beginning about old growth where it indicates not to harvest old growth and seek compensation elsewhere. He asked if this was an opener for the OESF.

Mr. Bare said there’s an exception to the deferral of all old growth for the OESF. He didn’t think it was under the old growth policy. Under the silvicultural strategy it seemed to be too constraining for the objectives of the OESF.

Mr. Anderson asked if he was talking about older forests or old growth.

Mr. Bare said he was referring to old growth and wanted to clarify what happens when the older forest target is met. He said that for five of the six HCP Planning Units old growth wouldn’t be cut. He felt that if old growth had been cut for experimental purposes and the targets met, then it should also be available for harvest.

Mr. Nichols asked if Mr. Bare meant old growth could be harvested above and beyond the targets.

Mr. Bare said the HCP and research requirements would have to be met first, but then yes, it could be available for harvest.

Mr. Partridge referred back to the old growth policy saying that inserting the word “or” in the bullet on OESF, indicated that there would be two purposes for harvesting old growth in the OESF. One being research objectives and the second being anything else that’s consistent with the HCP. In essence putting an additional old growth policy under the silvicultural policy would make that even clearer.

Mr. Bare explained that the policy says that once the older forest targets are met then excess older forests could be cut, but old growth could never be harvested. Yet, the policy states that old growth could be cut in the OESF; he felt that it needed to be recognized in the policy.

Mr. Anderson asked if Mr. Bare meant that the policy addressed the excess of older forests but not the excess of old growth and that his recommended changes would address that.

Mr. Bare said that was correct.

Mr. Partridge asked Mr. Bare if he felt that his suggested changes would allow harvest of old growth other than for research purposes once the targets had been met (in the OESF).

Mr. Bare said he didn't think so because the other policy controls the OESF.

Mr. Sprague wanted to be clear on Mr. Bare's intent on the policy under silvicultural strategy asking if the following captured his recommendations: "once older forest targets are met non-old-growth structurally complex stands not needed...considered for harvest activities...except in the OESF where harvested old growth would occur tied to research".

Mr. Partridge said there is no way to separate the old growth and silvicultural policy and so they are linked.

Chair Sutherland commented on Mr. Sprague and Mr. Partridge's work on the PSF and commended them for their continued outstanding work. He said he is continually amazed at the capabilities of DNR employees.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Bob Dick - American Forest Resource Council (AFRC)

Mr. Dick stated that it was important for everyone to recognize what the current Board and their predecessors went through to get where the Board is today on PSF and SHC. He expressed his sense of outrage that one individual could put themselves above what the SHC was. He commented that an old growth forest is not a fully functional forest; he hoped that the myth would not be perpetuated.

Meeting adjourned at 2:12 p.m.

Approved this ____ day of _____, 2005

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Christine Gregoire

Bruce Bare, Dean, University of Washington

Daniel J. Bernardo, Dean, Washington State University

Terry Bergeson, Superintendent of Public Instruction

Ted Anderson, Commissioner, Skagit County

Attest:

Sasha Lange, Board Coordinator